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**Infrastructure
Ontario**

November 22, 2022

IO November 2022 Market Update

Colleagues,

I am pleased to present IO's Market Update for November 2022.

In this update we provide details related to 39 projects in pre-procurement and procurement (totalling more than \$35 billion in estimated design and construction costs). These projects reflect Ontario's historic commitment to modernizing the province's public assets, including highways, transit, hospitals, children's treatment centres, schools and correctional facilities. This update also includes 16 government-announced projects in early stages of planning for which scope, timing and delivery model are still being determined.

Through unprecedented challenges we have been relentless in bringing projects to market and providing maximum transparency to our market about project timelines. Since 2019, IO has brought more than two dozen projects to market. That includes 11 healthcare projects, 10 subway projects, the first of our rapid build projects, a number of Progressive projects including Progressive P3s and Progressive DB target price contracts, and a multi-year contract to support the strategic management of one of the largest real estate portfolios in Canada. We have awarded contracts or selected partners for 17 projects.

Our progress has also resulted in some of the largest of our contracts proceeding from procurement into the construction stage. This includes the recently announced financial closes for the two largest Ontario Line contracts. Earlier this year, both the West Lincoln Memorial Hospital and the Thunder Bay Correctional Complex also moved from procurement into the construction stage. The contracts currently in construction are valued at approximately \$41 billion, not including the additional contracted value to ensure the long-term operations and maintenance of assets on projects such as the Metrolinx GO Rail Expansion On-Corridor works.

In order to maintain the momentum and success that we have achieved with our industry partners, we have continued to adapt to changing global and local conditions:

- Our projects are becoming larger, more complex, and increasingly infused with technology;
- Inflationary and supply chain pressures are impacting budgets and schedules as well as the risk appetite of our partners; and
- Various jurisdictions have announced post-pandemic infrastructure investments, implying further competition for a finite supply of innovative companies and skilled labourers.

The Right Approach for Every Job

All of this means evolving how we do certain projects to attract the best companies to compete for and complete the work. In this Update, you will notice IO and government have prudently revisited the cost estimates for future projects in light of inflation as well as other challenges currently being felt globally.

We continue to stage our projects in a thoughtful way that aligns with market capacity. For example, in some cases, you will see that a successful project means scheduling it later than previously anticipated to avoid competing for resources with other important Ontario projects.

These evolving conditions also require us to continuously add to our toolbox of procurement strategies and delivery models to suit the needs of each project. Earlier this year, we launched the procurements for our first Progressive P3 hospital projects. We have also successfully employed a Progressive Design-Build approach in partnership with Metrolinx on projects such as GO Rail Expansion – On-Corridor Works (Progressive DBOM). They will not be our last. For the government's more urgent needs, we are employing rapid build strategies to get those new and expanded assets serving seniors, students and the justice system built as quickly as possible. We always consider the best commercial contract basis for any of our projects. That includes:

- Contract form and delivery model;
- The optimal packaging and bundling of works;
- Optimizing, right-sizing, and revisiting risk transfer regimes to appropriately protect the contracting authority, ensuring the appropriate exposure of ProjectCos to certain risks, and providing the right incentives for the collaborative mitigation of risks; and
- Implementing our revised approach to dispute resolution.

None of our efforts to adapt and improve our work could be successful without the support and feedback of our many partners, both in the public and private sectors. We are committed to continually receiving feedback from the market and evolving our approach to ensure best value for the Province.

Developing New Solutions, Executing Transactions and Managing Assets

IO's mission, its work and contribution to the province's infrastructure commitments goes beyond the contents of our regular updates on major construction projects.

We are supporting government priorities in several areas.

Earlier this year, we issued a request for proposals to three best-in-class private-sector companies who pre-qualified to compete for the Next Generation Real Property Services contract. With service commencement scheduled for Spring 2024, the successful company will work in partnership with IO to support one of the largest real estate portfolios in Canada, comprising more than 4,400 buildings and 194,000 acres of land, effectively delivering services in over 350 communities across Ontario.

We are also preparing for the re-procurement of our Project Management Service Provider program early in the New Year. This program involves managing a variety of enhancement, expansion and new construction projects focused on the government's General Real Estate Portfolio and other ministry-driven projects across the province. IO will look to the Project Management Service Provider to deliver more complex projects with a value of up to \$20 million from inception through to final completion, including design, construction and commissioning, utilizing a predominantly Design-Bid-Build contract model for designers and contractors. We intend to complete a contract signing in the Fall of 2023, with a planned contract commencement slated for the following Spring in 2024.

Not only do we manage the largest provincial portfolio of land and properties in the country, but we are also leveraging those assets to find solutions for other government priorities. Last month, the government announced IO's role in using surplus lands to support its attainable housing initiative. We continue to work with the private sector to facilitate transit-oriented communities that will support more homes around new transit stations. The historic transit investments being made today will help to build more transit ridership tomorrow.

I am proud to say that our unique, reverse-auction approach to procuring high-speed connections for up to 266,000 unserved and underserved homes and businesses across the province is being recognized at home and abroad. Several other jurisdictions have reached out to learn more about our successful program. Just yesterday, we received a Canadian Council of Public Private Partnerships award in innovation for the procurement that successfully concluded this past summer.

Thank You,

Michael Lindsay

President and CEO

Infrastructure Ontario

November 2022 Market Update

TRANSIT and TRANSPORTATION

Projects	Project Phase	Model	PDC/TA Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
Highway 3	Active Procurement	DBF	N/A	June 2021	December 2021	Apr - Jun 2023	Town of Essex to Leamington	< \$200M
Scarborough Subway Extension – Stations, Rail, and Systems	Active Procurement	Progressive DB (target price)	N/A	September 2021	February 2022 (Dev. Partner)	DPA: Nov 2022 PA: Jul – Sep 2024	Toronto	\$2B - \$4B
Eglinton Crosstown West Extension - Advance Tunnel (Jane to Mt. Dennis)	Active Procurement	DBF	N/A	December 2021	April 2022	Jan - Mar 2023	Toronto	\$200M - \$499M
Ontario Line – Elevated Guideway and Stations	Active Procurement	Progressive DB (target price)	Awarded	November 2022	Jan - Mar 2023	DPA: Jan - Mar 2024 PA: Jan - Mar 2025	Toronto	\$1B - \$2B
Ontario Line – Pape Tunnel and Underground Stations	Active Procurement	Progressive DB (target price)	Awarded	November 2022	Jan - Mar 2023	DPA: Jan - Mar 2024 PA: Jul - Sep 2026	Toronto	\$1B - \$2B
Garden City Skyway Twinning	Pre-Procurement	DBF	RFP Closed	December 2022	Apr - Jun 2023	Jul - Sep 2024	St. Catharines	\$500M - \$1B
Yonge North Subway Extension - Advance Tunnel*	Pre-Procurement	DBF	Awarded	Jan - Mar 2023	Apr - Jun 2023	Apr - Jun 2024	Toronto / York Region	\$1B - \$2B
Bradford Bypass	Pre-Procurement	TBD	Jan – Mar 2023	Apr – Jun 2023	TBD	TBD	York Region / Simcoe County	> \$1B
Highway 17 (through Renfrew)	Pre-Procurement	DBF	Jul - Sep 2023	Jan - Mar 2024	Oct - Dec 2024	Jan - Mar 2026	Arnprior to Renfrew	\$200M - \$499M
Eglinton Crosstown West Extension - Stations, Rail and Systems*	Pre-Procurement	TBD	Awarded	TBD	TBD	TBD	Toronto	\$2B - \$4B
Yonge North Subway Extension - Stations, Rail and Systems*	Pre-Procurement	TBD	Awarded	TBD	TBD	TBD	Toronto / York Region	\$2B - \$4B

* Metrolinx and Infrastructure Ontario continue to review these projects for the most suitable staging and sequencing in recognition of continuing market feedback and other recently issued procurements to market.

Projects in Planning Phase: Transit and Transportation
Eglinton Crosstown West Extension Airport Segment
Hamilton LRT
Highway 413
Line 4 Extension (Sheppard East) Subway

HEALTH and CHILDREN’S TREATMENT CENTRES

Projects	Project Phase	Model	PDC/TA Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
Niagara Health - New South Niagara Hospital Project	Active Procurement	DBFM	N/A	February 2021	October 2021	Jan - Mar 2023	Niagara	> \$1B
Kingston Health Sciences Centre - Kingston General Hospital Redevelopment	Active Procurement	DBF	N/A	August 2021	Jul - Sep 2024	Jul - Sep 2025	Kingston	\$500M - \$1B
Trillium Health Partners Broader Redevelopment – Queensway Health Centre	Active Procurement	BF	N/A	October 2021	October 2022	Jul - Sep 2023	Toronto	\$500M - \$1B
Weeneebayko Area Health Authority – Health Campus	Active Procurement	Progressive DBF	N/A	N/A	January 2022 (Dev. Partner)	DPA: Jan - Mar 2023 PA: 2024	Moosonee / Moose Factory	\$200M - \$499M
Centre for Addiction and Mental Health - Phase 1D Redevelopment	Active Procurement	DBF	N/A	February 2022	December 2022	Oct - Dec 2023	Toronto	\$500M - \$1B
1Door4Care Children’s Hospital of Eastern Ontario (CHEO) Integrated Treatment Centre Project	Active Procurement	DBF	N/A	March 2022	November 2022	Oct - Dec 2023	Ottawa	\$200M - \$499M
Trillium Health Partners Broader Redevelopment – Mississauga Hospital Site	Active Procurement	Progressive DBFM	N/A	N/A	April 2022 (Dev. Partner)	DPA: Jan - Mar 2023 PA: 2025	Mississauga	> \$2B
The Ottawa Hospital – New Civic Redevelopment	Pre-Procurement	Progressive DBFM	TBD	N/A	November 2022 (Dev. Partner)	DPA: Oct - Dec 2023 PA: 2025	Ottawa	> \$2B
Quinte Health Care– Prince Edward County Memorial Hospital Redevelopment	Pre-Procurement	DBB	N/A	Jan - Mar 2023	Jul – Sep 2023	Jul - Sep 2024	Picton	< \$200M
Stevenson Memorial Hospital – Redevelopment	Pre-Procurement	BF*	TBD	Jul - Sep 2023	Jan - Mar 2024	Jan - Mar 2025	Alliston	< \$200M
William Osler Health System - Peel Memorial Centre for Integrated Health and Wellness Phase 2	Pre-Procurement	DBF*	Awarded	Jul - Sep 2023	Jan - Mar 2024	Jan - Mar 2025	Brampton	\$200M - \$499M
Lakeridge Health – Bowmanville Hospital Redevelopment	Pre-Procurement	DBF*	Apr - Jun 2023	Apr - Jun 2024	Oct - Dec 2024	Oct - Dec 2025	Bowmanville	\$200M - \$499M
North York General Hospital – Inpatient Redevelopment	Pre-Procurement	DBF*	Jan - Mar 2023	Jul - Sep 2024	Oct - Dec 2024	Oct - Dec 2025	Toronto	\$500M - \$1B
Hamilton Health Sciences – Juravinski Hospital Redevelopment	Pre-Procurement	DBF*	In Market	Oct - Dec 2024	Jul - Sep 2025	Jul - Sep 2026	Hamilton	\$500M - \$1B
Windsor Regional Hospital – New Windsor Essex Regional Hospital	Pre-Procurement	DBFM*	RFP Closed	Jan - Mar 2025	Jul - Sep 2025	Jul - Sep 2026	Windsor	> \$1B
Collingwood General and Marine – Hospital Redevelopment	Pre-Procurement	DBF*	Jan - Mar 2024	Oct - Dec 2025	Apr - Jun 2026	Apr - Jun 2027	Collingwood	\$200M - \$499M
Oak Valley Healthcare – Uxbridge Redevelopment	Pre-Procurement	BF*	TBD	Oct - Dec 2025	Jul - Sep 2026	Apr - Jun 2027	Uxbridge	< \$200M

Projects	Project Phase	Model	PDC/TA Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
Scarborough Health Network Birchmount Redevelopment Phase 1A	Pre-Procurement	DBF*	Jul - Sep 2024	Jul - Sep 2026	Jan - Mar 2027	Jan - Mar 2028	Toronto	\$500M - \$1B
Unity Health Toronto - St. Joseph's Health Centre Redevelopment	Pre-Procurement	DBF*	Oct - Dec 2024	Oct - Dec 2026	Apr - Jun 2027	Apr - Jun 2028	Toronto	> \$1B
The Hospital for Sick Children – Project Horizon	Pre-Procurement	DBFM*	Jul - Sep 2025	Jul - Sep 2027	Oct - Dec 2027	Oct - Dec 2028	Toronto	> \$1B
Muskoka Algonquin Healthcare – Bracebridge and Huntsville Redevelopments	Pre-Procurement	DBF*	> 5 years	> 5 years	> 5 years	> 5 years	Bracebridge and Huntsville	\$500M - \$1B
Lakeridge Health – Broader Redevelopment	Pre-Procurement	TBD	TBD	> 5 years	> 5 years	> 5 years	TBD	TBD

* Infrastructure Ontario continues to review these projects for the most suitable delivery model (inclusive of procurement strategy and contract form) in recognition of continuing market feedback and other recently approved changes.

Note: The Ministry of Health continues to review timing and cost details of each project in light of the Province’s ongoing COVID-19 response and recovery work.

Projects in Planning Phase: Health and Children’s Treatment Centres		
Brant Community Health Care - Redevelopment	Lake of the Woods District Hospital (Kenora) – Redevelopment Project	Sunnybrook Health Sciences - Critical Care Tower
Grand River Hospital and St. Mary's General Hospital - Joint Redevelopment Project	Royal Victoria Health Centre - Phase 1 Redevelopment	William Osler Health System - Radiation Oncology Project
Hotel Dieu Shaver (St. Catharines)	Southlake Regional Health Sciences - Phase 1 Redevelopment	

PUBLIC WORKS, EDUCATION and JUSTICE

Projects	Project Phase	Model	PDC/TA Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
George Street Revitalization*	Active Procurement	DBF	Awarded	November 2020	August 2022	Jul - Sep 2023	Toronto	TBD
Ontario Place Site Servicing	Pre-Procurement	CM	N/A	N/A	December 2022	Apr - Jun 2023	Toronto	< \$200M
Education Rapid Build Pilot Program	Pre-Procurement	PMSP and RFQSO	Awarded	N/A	Jan - Jun 2023	Jan - Jun 2023	1) Bowmanville 2) Fergus 3) Limoges 4) Fort Frances 5) Napanee	< \$50M
Eastern Ontario Correctional Complex	Pre-Procurement	DBFM	Awarded	Apr - Jun 2024	Jan - Mar 2025	Apr - Jun 2026	Kemptville	\$200M - \$499M
Quinte Detention Centre	Pre-Procurement	DBB	In Market	Apr - Jun 2024	Apr - Jun 2025	Jan - Mar 2026	Napanee	< \$200M
Brockville Correctional Complex / St. Lawrence Valley Correctional and Treatment Centre	Pre-Procurement	DBF	RFP Closed	Jul - Sep 2024	Apr - Jun 2025	Jul - Sep 2026	Elizabethtown-Kitley	< \$200M

* Infrastructure Ontario acts in an advisory capacity in the procurement of this project.

Projects in Planning Phase: Public Works, Education and Justice
Grosvenor Office Tower
MECP/MLTSD Science Complex
Ontario Place Landscape and Public Realm Construction
OPP Modernization Phase 3

DEFINITIONS and CHART LEGEND

General Definitions	
Note: Bold-face text denotes a change from the previous Market Update	
DPA	Development Phase Agreement
PA	Project Agreement
PDC	Planning and Design Consultant
RFP	Request for Proposals
RFQ	Request for Qualifications
TA	Technical Advisor

Delivery Model Definitions	
Note: The progressive procurement strategy may be compatible with various contract forms and pricing approaches. Where applicable, notations have been made to indicate:	
(1) whether the contract form is being procured in a progressive fashion involving a development phase prior to construction and/or	
(2) whether the contract for construction is intended shall be bid a target-price basis.	
BF	Build Finance
CM	Construction Management
DB	Design Build
DBB	Design Bid Build
DBF	Design Build Finance
DBFM	Design Build Finance Maintain
DBFOM	Design Build Finance Operate Maintain
DBOM	Design Build Operate Maintain
PMSP	Construction to be procured by IO's Project Management Service Provider(s)
RFQSO	Construction to be procured under IO's Request for Qualifications and Standing Offer

Estimated Design & Construction Cost	
Note: The range values shown are inclusive of the <u>estimated design and construction values within approved project budgets only</u> .	
The range values shown exclude the following :	
(1) other contract costs such as financing and long-term maintenance costs; and	
(2) costs to be paid by the Contracting Authority outside of the construction contract such as land, equipment, third party advisors, and contingencies.	